

FISCAL NOTE

SB 136 - HB 436

April 17, 2003

SUMMARY OF BILL: Requires the BEP formula to make adequate provision for each local education agency (LEA) to fund any additional personnel expenses incurred, on an individual school basis, in order to satisfy maximum class size requirements.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$200,000,000

Decrease Local Govt. Expenditures - Exceeds \$200,000,000

Assumes the bill requires the state to provide funding through the BEP for the number of teaching positions required by the *individual schools* to meet the class size requirements.

Currently, additional teaching positions required by LEAs to meet class size requirements are funded through the BEP based on the number of positions required at the system level. Therefore, the number of teaching positions requiring state funding under the bill will increase.

Teaching positions currently funded outside the BEP to meet class size requirements would now be funded through the BEP with the state assuming 75% of the cost and local governments assuming 25% of the cost. Currently, local governments are funding these positions outside the BEP at 100% of the cost. Therefore, state expenditures will increase and local government expenditures will decrease accordingly.

This estimate is based on 7,686 teaching positions funded outside the BEP to satisfy class size requirements at an average salary of \$34,832 plus benefits.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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